

Article - Real Property

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§8–811.

A contract for the sale of real property subject to a ground rent shall contain the following notice in boldface type, at least as large as 14 point, in substantially the following form:

“NOTICE REQUIRED BY MARYLAND LAW

REGARDING YOUR GROUND RENT

This property (address) is subject to a ground lease. The annual payment on the ground lease (“ground rent”) is \$(dollar amount), payable in yearly or half-yearly installments on (date or dates).

The next ground rent payment is due (day, month, year) in the amount of \$(dollar amount).

The payment of the ground rent should be sent to:
(name of ground lease holder)
(address)
(phone number)

NOTE REGARDING YOUR RIGHTS AND RESPONSIBILITIES UNDER MARYLAND LAW:

As the owner of this property, you are obligated to pay the ground rent to the ground lease holder. It is also your responsibility to notify the ground lease holder if you change your address or transfer ownership of the property.

If you fail to pay the ground rent on time, you are still responsible for paying the ground rent. In addition, if the ground lease holder files an action in court to collect the past due ground rent, you may be required to pay the ground lease holder for fees and costs associated with the collection of the past due ground rent. In addition, the ground lease holder may also file an action in court to take possession of the property, which may result in your being responsible for additional fees and costs and ultimately in your loss of the property. Please note that under Maryland law, a ground lease holder may demand not more than 3 years of past due ground rent, and there are limits on how much a ground lease holder may be reimbursed for fees and costs. If you fail to pay the ground rent on time, you should contact a lawyer for advice.

As the owner of this property, you are entitled to redeem, or purchase, the ground lease from the ground lease holder and obtain absolute ownership of the property. The redemption amount is fixed by law as follows:

- (1) For a sum equal to the annual rent reserved multiplied by:
 - (i) 25, which is capitalization at 4 percent, if the lease was executed from April 8, 1884, to April 5, 1888, both inclusive;
 - (ii) 8.33, which is capitalization at 12 percent, if the lease was or is created after July 1, 1982; or
 - (iii) 16.66, which is capitalization at 6 percent, if the lease was created at any other time;
- (2) For a lesser sum if specified in the lease; or
- (3) For a sum to which the parties may agree at the time of redemption.

The amount to redeem your ground lease is _____. If you wish to redeem the ground lease, contact the ground lease holder. If the identity of the ground lease holder is unknown, the State Department of Assessments and Taxation provides a process to redeem the ground lease that may result in your obtaining absolute ownership of the property. If you would like to obtain absolute ownership of this property, you should contact a lawyer for advice.”.

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